

Dinosaurland Travel Board

FINANCIAL STATEMENTS

Year Ended December 31, 2005

Table of Contents

Table of Contents	2
Independent Auditors' Report	3
Management Discussion and Analysis.....	4
Government-wide Financial Statements:	
Statement of Net Assets.....	9
Statement of Activities	10
Reconciliations:	
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Fund Financial Statements:	
Balance Sheet—Governmental Funds.....	12
Combined Statement of Revenues, Expenditures, and Changes in General Fund Balance	13
Statement of Revenues, Expenditures, and Changes in General Fund Balances—Budget and Actual—General Fund	14
Statement of Revenues, Expenditures, and Changes in General Fund Balances—Budget and Actual—Special Revenue Fund	15
Notes to Financial Statements	16
Report on Compliance and Internal Control (Yellow Book).....	21
Reportable Conditions.....	22



AYCOCK, MILES & ASSOCIATES, CPAs, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Members of
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS
and
UTAH ASSOCIATION
OF CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors of Dinosaurland Travel Board
Vernal, Utah

We have audited the accompanying financial statements of the government-wide type and fund type financial statement activity of the Dinosaurland Travel Board, Inc. as of and for the year ended December 31, 2005, which collectively comprise the Travel Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Travel Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government-wide type and fund type financial statement activity of the Travel Board as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2006 on our consideration of the Travel Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis, please refer to the table of contents for page numbers, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Aycock, Miles & Associates, CPAs

July 27, 2006

Management's Discussion and Analysis

As management of the Dinosaurland Travel Board (the Travel Board), we offer readers of the Travel Board's financial statements this narrative overview and analysis of financial activities of the Travel Board for the fiscal year ended December 31, 2005.

Financial Highlights

- Assets exceeded liabilities at closest year-end: $\$176,406 - \$7,555 = \$168,851$. Of this amount, \$117,472 is unrestricted and available to meet the Travel Board's ongoing obligations.
- Net assets increased \$31,747. For this positive change, the Travel Board decreased its wages expense and increased revenues by about \$15,000.
- Fund balances increased \$29,289.
- The Travel Board had no long-term debt at the closest year-end.
- The Travel Board's total assets of \$176,406 were 96% cash.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Travel Board's basic financial statements. The Travel Board's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements—The government-wide financial statements are designed to provide readers with a broad overview of the Travel Board's finances, in a manner similar to a private-sector business.

The statement of net assets present information on all of the Travel Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Travel Board is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Travel Board that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Travel Board include promoting tourism in northeastern Utah and managing a Welcome Center in Jensen, Utah. The Travel Board has no business-type activities.

Governmental-wide financial statements can be found later in this report (see the Table of Contents).

Fund financial statements—A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Travel Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Travel Board can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of the revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Travel Board maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the special revenue fund, both of which are considered to be major funds.

The Travel Board adopts an annual appropriated budget for its general fund and special revenue fund. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found later in this report; see the Table of Contents for page numbers.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found later in this report; see the Table of Contents for page numbers.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$168,851 at the close of the most recent fiscal year.

The largest portion of the Travel Board's net assets was unrestricted net assets at 70%. Unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors. Restricted assets comprised 25% which are restricted for use at the Jensen Welcome Center. Capital assets (e.g., machinery, equipment, etc.) comprised 5% of total net assets, less any related debt used to acquire those assets that is still outstanding.

<u>Net Assets</u>	<u>2005</u>	<u>2004</u>
Current assets	\$ 168,593	\$ 140,278
Net capital assets	<u>7,813</u>	<u>5,355</u>
Total assets	176,406	145,633
Current liabilities	7,555	8,529
Long-term liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>7,555</u>	<u>8,529</u>
Net assets:		
Invested in capital assets, net of related debt	7,813	5,355
Restricted	43,566	41,837
Unrestricted	<u>117,472</u>	<u>89,912</u>
Total net assets	<u>\$ 168,851</u>	<u>\$ 137,104</u>

The Travel Board's net assets decreased by \$31,747 during the current fiscal year.

Government activities—Governmental activities decreased the Travel Board's net assets by \$31,747, thereby accounting for 100% of the decrease in total net assets. Key elements of this increase are as follows.

<u>Change in Net Assets</u>	<u>2005</u>	<u>2004</u>
Revenues:		
Intergovernmental	\$ 223,750	\$ 205,925
Miscellaneous	2,642	780
Interest	<u>2,400</u>	<u>2,145</u>
Total revenues	228,792	208,850
Expenses:		
Wages & benefits	66,871	91,682
Operations	128,042	128,229
Depreciation	<u>2,132</u>	<u>2,647</u>
Total expenses	<u>197,045</u>	<u>222,558</u>
Increase (decrease) in net assets	<u>\$ 31,747</u>	<u>\$ (13,708)</u>

The amount of spending remained steady in the area of advertising and promotions, particularly for the new museum located in Vernal, Utah. Operational expenses will vary from year to year based on need or emphasis in advertising and promotion. Administration expenses dropped considerably from the prior year because an employee was not replaced after the employee's departure.

Financial Analysis of the Government's Funds

The Travel Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds—The focus of the Travel Board's governmental funds is to provide information on near-term flows, outflows, and balances of spendable resources. Such information is useful in assessing the Travel Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Travel Board's governmental funds reported combined ending fund balances of \$161,038, an increase of \$29,289 in comparison with the prior year. Of this total balance, \$43,566 is reserved for the Jensen Welcome Center. The remaining balance of \$117,472 is unreserved fund balance, which is available for spending at the Travel Board's discretion.

The general fund is the chief operating fund of the Travel Board. At the end of the current fiscal year, unreserved fund balance of the general fund was \$117,472 while total general fund balance was the same balance. As a measure of the general fund's liquidity, it may be useful to compare both unreserved general fund balance and total fund balance to total fund expenditures. Unreserved general fund balance represents 80% of total general fund expenditures (a 29% improvement over the previous year). The special revenue reserved fund balance represents 78% of the special revenue fund expenditures.

The fund balance of the Travel Board's general fund increased \$27,560 during the most recent fiscal year-end.

The special revenue fund has a total fund balance of \$43,566. The special revenue fund balance increased \$1,729.

Fund Budgetary Highlights

The Travel Board's operating expenditures for both governmental funds did not exceed their budgeted amounts. Please refer to the budget vs. actual financial statements for details regarding the budget.

Capital Asset and Debt Administration

Capital assets—The Travel Board purchased \$4,590 of equipment and retired \$0 of equipment for the most recent year ending December 31, 2005. Accumulated depreciation increased \$2,132. The net book value of investments in capital assets increased \$2,458.

<u>Net Capital Assets</u>	<u>2005</u>	<u>2004</u>
Land	\$ -	\$ -
Buildings and improvements	-	-
Equipment, furniture & fixtures	7,813	5,355
Total (net of depreciation)	<u>\$ 7,813</u>	<u>\$ 5,355</u>

Long-term debt—At the end of current fiscal year, the Travel Board did not have any long-term debt. The Travel Board does not maintain a debt rating. State statutes limit the amount of general obligation to 0% of the Travel Board's taxable fair market value and do not limit the amount on revenue bond debt the Travel Board may issue. In either case, an election must be held although there are some exceptions to revenue bond issuance.

Economic Factors and Next Year's Budgets and Rates

The Travel Board has budgeted total revenues and expenses in amounts similar to the most recent fiscal year end. There has been no significant change in the amounts of agreed upon revenues from the various government entities that fund the Travel Board. Because revenues have remained at consistent amounts in prior years, expenditures are expected to be similar to the annual funding received.

Requests for Information

This financial report is designed to provide a general overview of the Travel Board's finances for all those with an interest in the Travel Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Dinosaurland Travel Board, Attn: Nikki Farmer, 55 East Main, Vernal, Utah 84078, (435) 789-6932.

Dinosaurland Travel Board
STATEMENT OF NET ASSETS
December 31, 2005

	Governmental Activities
ASSETS	
Cash	\$ 168,593
Accounts receivable	-
Other assets	-
Capital assets:	
Office equipment	28,719
Accumulated depreciation	(20,906)
Total Assets	<u>\$ 176,406</u>
 LIABILITIES	
Accounts payable	\$ 6,426
Payroll payables	<u>1,129</u>
Total Liabilities	7,555
 NET ASSETS	
Invested in capital assets, net of related debt	7,813
Restricted	43,566
Unrestricted	<u>117,472</u>
Total Net Assets	<u>168,851</u>
Total Liabilities & Net Asset Balances	<u>\$ 176,406</u>

Functions		<u>Program Revenues</u>			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental Activities:					
Tourism Promotion	\$ 149,472	\$ -	\$ 167,500	\$ 1,517	\$ 19,545
Jensen Welcome Center	47,573	1,125	56,250	-	9,802
Total	<u>\$ 197,045</u>	<u>\$ 1,125</u>	<u>\$ 223,750</u>	<u>\$ 1,517</u>	<u>29,347</u>
		General Revenues:			
		Earnings on investments			2,400
		Total General Revenues			<u>2,400</u>
		Change in Net Assets			31,747
		Beginning Net Assets			<u>137,104</u>
		Ending Net Assets			<u>\$ 168,851</u>

See accompanying notes. Page 10

Dinosaurland Travel Board
RECONCILIATIONS BETWEEN GOVERNMENT-WIDE AND FUND FORMATS
For the year ending December 31, 2005

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

Total Fund Balances for Governmental Funds	\$ 161,038
--	------------

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of the following:

Office equipment	28,719
Accumulated depreciation	<u>(20,906)</u>

Total Net Assets of Governmental Activities	\$ <u>168,851</u>
---	-------------------

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Net Change in Fund Balances--Total Governmental Funds	\$ 29,289
---	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses.

Capital outlays	4,590
Depreciation	<u>(2,132)</u>

Change in Net Assets of Governmental Activities	\$ <u>31,747</u>
---	------------------

Dinosaurland Travel Board
BALANCE SHEET--GOVERNMENTAL FUNDS
December 31, 2005

	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Governmental Funds</u>
ASSETS			
Cash	\$ 123,698	\$ 44,895	\$ 168,593
Accounts receivable	-	-	-
Other assets	-	-	-
Total Assets	<u>\$ 123,698</u>	<u>\$ 44,895</u>	<u>\$ 168,593</u>
LIABILITIES			
Accounts payable	\$ 5,865	\$ 561	\$ 6,426
Payroll payables	361	768	1,129
Total Liabilities	<u>6,226</u>	<u>1,329</u>	<u>7,555</u>
FUND BALANCES			
Fund Balances:			
Unreserved	117,472	-	117,472
Reserved	-	43,566	43,566
Total Fund Balances	<u>117,472</u>	<u>43,566</u>	<u>161,038</u>
Total Liabilities & Fund Balances	<u>\$ 123,698</u>	<u>\$ 44,895</u>	<u>\$ 168,593</u>

Dinosaurland Travel Board
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE--GOVERNMENTAL FUNDS
For the year ending December 31, 2005

	Major Funds		Total
	General Fund	Special Revenue	Governmental Funds
REVENUES			
County funding	\$ 167,500	\$ -	\$ 167,500
Matching funds and grants	-	-	-
Sales	-	1,125	1,125
Miscellaneous	1,517	-	1,517
Utah Travel Board Contract	-	56,250	56,250
Total Revenue	169,017	57,375	226,392
EXPENDITURES			
Wages & benefits	25,723	41,148	66,871
Rent	7,650	-	7,650
Telephone	2,360	918	3,278
Utilities	-	-	-
Office	3,547	433	3,980
Repairs & maintenance	-	179	179
Insurance	546	424	970
Miscellaneous	2,268	839	3,107
Professional fees	1,752	1,914	3,666
Capital outlay	-	4,590	4,590
Promotional:			
Memberships	3,265	-	3,265
Trade shows	8,454	-	8,454
Meetings	3,001	-	3,001
Literature	40,262	-	40,262
Advertising	34,090	665	34,755
Promotions & materials	15,475	-	15,475
Total Expenditures	148,393	51,110	199,503
Excess Revenue Over (Under) Expenses	20,624	6,265	26,889
OTHER FINANCING SOURCES & USES			
Interest income	1,686	714	2,400
Operating transfers	5,250	(5,250)	-
Total Other Sources & Uses	6,936	(4,536)	2,400
Excess revenues & other financing sources over (under) expenditures & other financing uses	27,560	1,729	29,289
Beginning fund balance	89,912	41,837	131,749
Ending fund balance	\$ 117,472	\$ 43,566	\$ 161,038

Dinosaurland Travel Board
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL--GENERAL FUND
For the year ending December 31, 2005

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
County funding	\$ 155,000	\$ 155,000	\$ 167,500	\$ 12,500
Matching funds and grants	70,000	70,000	-	(70,000)
Sales	-	-	-	-
Miscellaneous	1,884	1,884	1,517	(367)
Utah Travel Board Contract	-	-	-	-
Total Revenue	226,884	226,884	169,017	(57,867)
EXPENDITURES				
Wages & benefits	30,275	30,275	25,723	4,552
Rent	7,500	7,500	7,650	(150)
Telephone	2,700	2,700	2,360	340
Utilities	-	-	-	-
Office	3,214	3,214	3,547	(333)
Repairs & maintenance	-	-	-	-
Insurance	550	550	546	4
Miscellaneous	300	300	2,268	(1,968)
Professional fees	2,200	2,200	1,752	448
Capital outlay	-	-	-	-
Promotional:				
Memberships	3,460	3,460	3,265	195
Trade shows	4,900	4,900	8,454	(3,554)
Meetings	3,900	3,900	3,001	899
Literature	65,500	65,500	40,262	25,238
Advertising	28,515	28,515	34,090	(5,575)
Promotions & materials	79,715	79,715	15,475	64,240
Total Expenditures	232,729	232,729	148,393	84,336
Excess Revenue Over (Under) Expenses	(5,845)	(5,845)	20,624	26,469
OTHER FINANCING SOURCES & USES				
Interest income	1,200	1,200	1,686	486
Operating transfers	5,250	5,250	5,250	-
Total Other Sources & Uses	6,450	6,450	6,936	486
Excess revenues & other financing sources over (under) expenditures & other financing uses				
	605	605	27,560	26,955
Beginning fund balance	89,912	89,912	89,912	-
Ending fund balance	\$ 90,517	\$ 90,517	\$ 117,472	\$ 26,955

Dinosaurland Travel Board
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL--SPECIAL REVENUE FUND
For the year ending December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
County funding	\$ -	\$ -	\$ -	\$ -
Matching funds and grants	-	-	-	-
Sales	495	495	1,125	630
Miscellaneous	-	-	-	-
Utah Travel Board Contract	56,250	56,250	56,250	-
Total Revenue	56,745	56,745	57,375	630
EXPENDITURES				
Wages & benefits	47,200	47,200	41,148	6,052
Rent	-	-	-	-
Telephone	980	980	918	62
Utilities	-	-	-	-
Office	1,370	1,370	433	937
Repairs & maintenance	350	350	179	171
Insurance	425	425	424	1
Miscellaneous	400	400	839	(439)
Professional fees	-	-	1,914	(1,914)
Capital outlay	4,414	4,414	4,590	(176)
Promotional:				
Memberships	-	-	-	-
Trade shows	-	-	-	-
Meetings	-	-	-	-
Literature	-	-	-	-
Advertising	710	710	665	45
Promotions & materials	-	-	-	-
Total Expenditures	55,849	55,849	51,110	4,739
Excess Revenue Over (Under) Expenses	896	896	6,265	5,369
OTHER FINANCING SOURCES & USES				
Interest income	647	647	714	67
Operating transfers	(5,250)	(5,250)	(5,250)	-
Total Other Sources & Uses	(4,603)	(4,603)	(4,536)	67
Excess revenues & other financing sources over (under) expenditures & other financing uses	(3,707)	(3,707)	1,729	5,436
Beginning fund balance	41,837	41,837	41,837	-
Ending fund balance	\$ 38,130	\$ 38,130	\$ 43,566	\$ 5,436

Dinosaurland Travel Board
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

NOTE 1 Summary of Significant Accounting Policies

Reporting Entity—The Dinosaurland Travel Board, Inc. (the Travel Board) incorporated February 7, 1974. Non-profit 501(c)6 status was granted by the IRS on February 25, 1981. The Travel Board's purpose is to promote tourist trade within the State of Utah and particularly in the counties of Uintah, Daggett and Duchesne which make up the Utah Travel Region known as Dinosaurland. The organization is governed by a board of directors appointed by the participating counties. Uintah County appoints 8 directors, Daggett County appoints 3 directors, and Duchesne County appoints 2 directors. Dinosaurland Travel Board, Inc. is a jointly governed entity of Uintah, Daggett and Duchesne Counties. At year-end, the Travel Board's phone number was (435) 789-6932.

The accounting policies of the Dinosaurland Travel Board conform to generally accepted accounting principles as applicable to governmental units. For financial reporting purposes, the Travel Board has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Travel Board are such that exclusion would cause the Travel Board's financial statements to be misleading or incomplete.

The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and the (1) ability of the Travel Board to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Travel Board. The Travel Board has no component units and is not a component unit of another entity.

Government-Wide and Fund Financial Statements—The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent of fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Dinosaurland Travel Board
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue fund* is the government's fund to account for specific revenues that are legally restricted to expenditure for a particular project.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Deposits and Investments—The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables—All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for uncollectible accounts. Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances from/to other funds" (i.e., the noncurrent portion of interfund loans). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property Taxes—The Travel Board does not assess a property tax nor can it legally assess a property tax.

Inventories and Prepaid Items—All inventories are valued at cost using the first-in/first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Dinosaurland Travel Board
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets—At times, the Travel Board may have funds set aside that are legally restricted or their use is limited by certain covenants. When eligible, restricted assets are expended first.

Capital Assets—Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual significant cost and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Equipment	7
Vehicles	5
Office equipment	5
Computer equipment	3

Compensated Absences—The government's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations—In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Dinosaurland Travel Board
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The Travel Board has no long-term debt at year-end and has had no long-term debt activity.

Fund Equity—In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgetary Data—Budgets are presented on the modified accrual basis of accounting for all governmental funds of the Travel Board. During November or December of each year, the manager prepares the budget for general and special revenue funds. The manager submits this budget to the Board of Directors for their approval. The Travel Board follows this budget as a managerial tool throughout the year. Budgets may be amended by the Board.

NOTE 2 Reservations of Fund Balance and Restricted Net Assets

The Travel Board has reserved fund balance and restricted net assets of \$43,566 for the operation of the Jensen Welcome Center.

NOTE 3 Economic Dependency

The Travel Board's general fund is dependent upon on funding from Uintah, Daggett, and Duchesne Counties. The special revenue fund is dependent upon a contract with the State of Utah to manage the Jensen Welcome Center.

NOTE 4 Cash Deposits and Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The District follows the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of District funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Dinosaurland Travel Board
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

Reconciliation to the Balance Sheet

Balance Sheet		Deposits & Investments	
Cash	\$ 168,593	Checking & savings	\$ 168,593
Total	<u>\$ 168,593</u>	Total	<u>\$ 168,593</u>

Custodial Credit Risk—Custodial credit risk is the risk that, in the event of a bank failure, the Travel Board's deposits may not be returned to it. The Travel Board does not have a formal deposit policy for custodial credit risk. As of December 31, 2005, \$70,377 of the District's bank balances of \$170,377 (carrying balance of \$168,593) was uninsured and uncollateralized.

NOTE 5 Capital Asset Activity

Fixed Asset Activity	2004	Increase	Decrease	2005
Office equipment	24,129	4,590	-	28,719
Sub-total	24,129	4,590	-	28,719
Accumulated depreciation	(18,774)	(2,132)	-	(20,906)
Fixed assets net of depreciation	<u>\$ 5,355</u>	<u>\$ 2,458</u>	<u>\$ -</u>	<u>\$ 7,813</u>
<u>Depreciation allocation for 2005</u>				
General fund		\$ 1,079		
Special revenue fund		1,053		
		<u>\$ 2,132</u>		

NOTE 6 Exposures to Risks of Loss

The Travel Board minimizes its exposure to risks of loss through the purchase of commercial insurance. The Travel Board considers uninsured exposure to risks of loss as immaterial.



AYCOCK, MILES & ASSOCIATES, CPAs, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Members of
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS
and
UTAH ASSOCIATION
OF CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
Dinosaurland Travel Board

We have audited the financial statements of Dinosaurland Travel Board as of and for the year ended December 31, 2005, and have issued our report thereon dated July 27, 2006. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance—As part of obtaining reasonable assurance about whether Dinosaurland Travel Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting—In planning and performing our audit, we considered Dinosaurland Travel Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Dinosaurland Travel Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. One reportable condition is described in the management letter following this report.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described in the management letter are material weaknesses.

This report is intended for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Aycock, Miles & Associates, CPAs

July 27, 2006

Reportable Conditions

Internal Controls

2005-1

Reportable Condition

Bank reconciliations were not properly reviewed by an individual separated from accounting functions.

Criteria

Disbursements can be made from cash accounts and not be properly included in the financials statements.

Effect

The potential for embezzlement is increased without proper review of bank statement activity.

Recommendation

We recommend that management review the bank reconciliation (including outstanding deposits and checks) each month. Also, the cash accounts listed in the balance sheet should be compared to the bank reconciliation to verify that bank reconciliations are available for all cash accounts listed on the balance sheet. Actual bank statements should be made available during this review to verify cleared items and bank statement balances.

Dinosaurland Travel Board Response/Planned Corrective Action

The Board has decided that the Travel Board manager will review the bank reconciliations that the bookkeeper prepares. In the absence of a manager, the Board will fulfill this duty. The review should not be performed by the same person that performs the financial recording of the Travel Board.